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URBAN QUEBEC MINES LIMITED

Annual Report

FOR THE YEAR ENDED DECEMBER 31, 1966

URBAN QUEBEC MINES LIMITED

Suite 509, 25 Adelaide Street West
TORONTO 1, ONTARIO

DIRECTORS' REPORT

To the Shareholders,
URBAN QUEBEC MINES LIMITED.

Presented herewith is the financial statement of your Company for the year ended December 31, 1966, with Auditors' Report thereon dated February 14, 1967.

Gloucester County, New Brunswick

The Company's main exploration program during the past year was concentrated on these properties. Work on the 57 claim group in the Pabineau River area was encouraging and the presence of molybdenite in several drill holes over a large area will require further examination and assessment of the property. On the Company's 15 claim group in the Cold Branch Brook area an additional two holes were drilled. Important geological information was obtained from the drilling and further development on these claims is in order.

Eldorado Township, Ontario

Your Company has recently acquired a group of claims in Eldorado Township on which nickel and copper showings are reported. Several other mining companies are actively exploring in the immediate area and your Company has a work program planned for this property.

Cardiff Township, Ontario

Your Company continues to hold fifteen patented claims in the Bancroft area, Ontario. In view of the future demand that is anticipated for uranium, these claims are considered to be a major asset of the Company.

General

The remaining properties outlined in Note 1 to the accompanying financial statement are maintained in good standing.

The option to an underwriter with respect to 200,000 shares of the Company's capital stock at 20¢ per share, due on or before February 26, 1967, was not exercised by the underwriter and the option lapsed accordingly.

On behalf of the Board,

FRED A. BOYLEN
President.

Toronto, Ontario,
April 4, 1967.

URBAN QUEBEC

Incorporated under

BALANCE SHEET

ASSETS

CURRENT ASSETS

Cash	\$ 11,820	
Short-term deposit and accrued interest	35,044	
Account receivable	100	
Accountable exploration advances to a director	850	
Prepaid expense	108	47,922

MINING CLAIMS, at cost (note 1) 135,690

DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES 446,573

\$ 630,185

The accompanying notes are

AUDITOR'S REPORT

To the Shareholders of
Urban Quebec Mines Limited

We have examined the balance sheet of Urban Quebec Mines Limited as at the end of the year then ended, and the statement of expenditures, deficit and administration expenditures for the year then ended. Our examination was made on the basis of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned financial statements present fairly the financial position of the company at the end of the year then ended, in accordance with generally accepted accounting principles.

Toronto, Canada,
February 14, 1967.

MINES LIMITED

laws of Ontario

December 31, 1966

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	3,106
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SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 2)

Authorized, 4,000,000 shares, par value \$1 each

Issued, 2,665,000 shares as follows

	No. of shares and par value	Discount	Net
Balance at beginning of year	2,265,000	1,191,995	1,073,005
Issued during year, for cash	400,000	340,000	60,000
Balance at end of year	<u>\$2,665,000</u>	<u>\$1,531,995</u>	1,133,005
DEFICIT			505,926
			<u>627,079</u>
			<u>\$ 630,185</u>

Approved on behalf of the Board:

F. A. BOYLEN Director.

G. D. PATTISON Director.

integral part of this statement.

REPORT

December 31, 1966 and the statements of deferred exploration and development examination included a general review of the accounting procedures and such tests circumstances.

al position of the company as at December 31, 1966 and the results of its operations applied on a basis consistent with that of the preceding year.

THORNE, MULHOLLAND, HOWSON & McPHERSON,
Chartered Accountants.

URBAN QUEBEC MINES LIMITED

STATEMENT OF DEFICIT Year ended December 31, 1966

Deficit at beginning of year	493,710
<i>Add:</i>	
Administration expenditures for year	11,616
Cost of mining claims abandoned	600
	<u>12,216</u>
Deficit at end of year	<u>\$ 505,926</u>

STATEMENT OF ADMINISTRATION EXPENDITURES Year ended December 31, 1966

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Audit	600
Directors' fees	800
Government fees and taxes	125
Legal fees and expenses	737
Listing	387
Management salary	2,000
Office rent	630
Postage, telephone and telegraph	924
Secretarial and accounting services	3,635
Shareholders' information	1,369
Transfer agent's fees and expenses	828
Travel	386
General expenses	203
	<u>13,426</u>
Deduct Interest earned	1,810
Administration expenditures for year, transferred to deficit	<u>\$ 11,616</u>

URBAN QUEBEC MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES

Year ended December 31, 1966

Balance at beginning of year		377,767
Expenditures during year		
Assays	2,794	
Consultant's fees	7,198	
Diamond drilling	39,582	
Equipment rentals	853	
Government fees and taxes	1,240	
Report	374	
Supplies	556	
Transportation and field expenses	11,488	
Wages	4,694	
General expenses	27	68,806
Deferred exploration and development expenditures on mining claims in good standing (summarized as follows)		\$ 446,573

Location of claims	Balance at beginning of year	Expenditures during year	Balance at end of year
Cardiff Township, Ontario	22,978	152	23,130
Cosgrave Lake Area, Ontario	81,959	107	82,066
County of Gloucester, New Brunswick	22,737	67,782	90,519
Urban Township, Quebec	250,093	765	250,858
	<u>\$ 377,767</u>	<u>\$ 68,806</u>	<u>\$ 446,573</u>

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1966

1. Mining claims:

15 patented claims in Cardiff Township, Eastern Ontario Mining Division, Ontario, acquired for 33,333⅓ shares and \$7,000 cash	37,000
18 claims in Cosgrave Lake Area, Port Arthur Mining Division, Ontario, held under mining lease, acquired for cash	10,750
72 claims in the Parish of Bathurst, County of Gloucester, New Brunswick, acquired for cash	2,440
24 claims in Urban Township, Quebec, acquired for 133,333⅓ shares and \$25,500 cash	85,500
	<u>\$ 135,690</u>

2. Capital stock:

At December 31, 1966 an option was outstanding to an underwriter with respect to 200,000 shares of the company's capital stock at 20¢ per share, exercisable on or before February 26, 1967.

URBAN QUEBEC MINES LIMITED

ANNUAL REPORT FOR THE YEAR 1960
FINANCIAL STATEMENTS

Balance Sheet as at December 31, 1960	
Assets	
Fixed Assets	
Land and Buildings	
Plant and Equipment	
Investments	
Current Assets	
Accounts Receivable	
Inventory	
Prepaid Expenses	
Other Current Assets	
Liabilities and Equity	
Accounts Payable	
Other Liabilities	
Shareholders' Equity	

Income Statement for the Year 1960	
Revenue	
Operating Expenses	
Depreciation	
Interest	
Income Tax	
Profit Before Income Tax	
Income Tax	
Net Income	

Statement of Cash Flows for the Year 1960	
Cash Flows from Operating Activities	
Cash Flows from Investing Activities	
Cash Flows from Financing Activities	
Net Change in Cash	
Cash at Beginning of Year	
Cash at End of Year	

At December 31, 1960, the company had a cash balance of \$100,000. The company's capital stock at the end of the year was \$1,000,000.

